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News Release

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Pine Island farmer pleads guilty to bank fraud, conversion of mortgaged property

A 50-year-old Pine Island man pleaded guilty today in federal court to committing fraud against the Farm Service Agency, a branch of the U.S. Department of Agriculture. Appearing before United States District Court Chief Judge Michael J. Davis in Minneapolis, Allen Eugene Starkson pleaded guilty to one count of bank fraud and one count of conversion of mortgaged property. Starkson was indicted on October 21, 2009.

In his plea agreement, Starkson admitted executing a scheme to defraud the United States and obtain money fraudulently from Pine Island Bank and Stearns Bank. Specifically, on July 17, 2007, he forged the endorsement of a Farm Service Agency representative on a check made payable jointly to him and the Farm Service Agency. He then cashed the check, in the amount of \$1,166.15, at Pine Island Bank. The check was from the Central Livestock Association and represented payment for farm products sold by Starkson through Central Livestock Association. Those farm products were being held by the Farm Service Agency as security for loans made by the agency to Starkson. The money was drawn from an account held by the Central Livestock Association at Stearns Bank. Moreover, Starkson admitted that between December 26, 2006, and July 23, 2008, he fraudulently sold cattle mortgaged to the Farm Service Agency without notifying the agency.

For his crimes, Starkson faces a potential maximum penalty of 30 years in prison on the bank fraud count and five years on the conversion count. Judge Davis will determine his sentence at a future date. This case is the result of an investigation by the U.S. Department of Agriculture-Office of Inspector General. It is being prosecuted by Assistant U.S. Attorney Kimberly A. Svendsen.